

BOARD OF COMMUNITY HEALTH

December 8, 2004

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20th Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Jeff Anderson, Chairman; Richard Holmes, Vice Chairman; Frank Rossiter, M.D., Secretary; Lloyd Eckberg; Inman English, M.D.; Ann McKee Parker, Ph.D.; Chris Stroud, M.D.; and Mary Covington. Commissioner Tim Burgess was also present. (A List of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

Mr. Anderson called the meeting to order at 10:13 a.m. and reviewed the agenda. The Minutes of the November 10 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Anderson called on Commissioner Burgess to make his report. Commissioner Burgess began by giving an update on several items. The budget hearing with the Governor and Office of Planning and Budget (OPB) was held Friday, December 3. Staff has had several meetings and conversations with OPB since then to discuss the items and give additional information and justification. Commissioner Burgess informed the Board that the January and February meetings will be held at Clayton College and State University. The Commissioner went on to talk about the Biennial Institute held every two years at the University of Georgia Carl Vinson Institute of Government. The Biennial Institute will be held December 13 and 14, and Commissioner Burgess was asked to attend and make presentations about several topics, especially the Medicaid Managed Care initiative. Lastly, Commissioner Burgess mentioned that the Department had researched and found some appropriate mementos for the outgoing board members.

Commissioner Burgess stated that the Department wanted to offer the Board some background knowledge that the board might find useful in understanding some of the prospectives about managed care across the country. Mr. Anderson called on Kathy Driggers, Chief, Managed Care and Quality, to give a history of the evolution of Medicaid Managed Care and lessons learned. She stated that no state has implemented Medicaid Managed Care exactly as DCH is planning to do; however, many states use Medicaid Managed Care in various forms and degrees. Ms. Driggers gave a brief history of the managed care delivery systems for Medicaid. She described how the Department had availed itself of the extensive literature in the field and talked with our counterparts in other states about their programs and key lessons learned. Ms. Driggers continued the discussion on the impact of Managed Care on quality of health care and costs and savings achieved through utilization. Ms. Driggers stated that savings are achieved over time; typically the first year does not realize significant savings but rather the state begins to benefit immediately from the increased budget predictability associated with mandatory managed care. Ms. Driggers introduced Alicia Smith of Alicia Smith and Associates, the consulting group hired to assist the Department in writing the Request for Proposal (RFP) and contract. Ms. Driggers concluded the report and she and Ms. Smith addressed questions and concerns from the Board. (A copy of the Medicaid and Managed Care History and Lessons Learned is attached hereto and made an official part of these Minutes as Attachment #3.)

Mr. Anderson called on Wade Miller, Chief Information Officer, to give an update on ongoing and upcoming DCH procurements. Mr. Miller said staff is working aggressively to make sure that the procurements happen because some are federally required in terms of extending the contract, and some may require approval from the Georgia Technology Authority for technical type procurement or the Department of Administrative Services to ensure adherence to state procurement rules. The projects include a Pharmacy Benefit Manager to process pharmacy claims that will not be processed by CMOs. The next four procurements--Magellan, PPO Network Vendor, National PPO Vendor, and Third Party Administration Services--are State Health Benefit Plan and Board of Regents Plan procurements and the Department is working with Deloitte Consulting to strategize how to best procure these items and where we can combine for efficiency and savings. Other procurements relating to the SHBP are the

BOARD OF COMMUNITY HEALTH

December 8, 2004

Page Two

Dependent Eligibility Coverage Verification, MEMS Replacement/HPAS procurement (that was just completed and awarded), and the Independent Verification and Validation Vendor for the HPAS project. Medicaid and PeachCare related procurements are Non-emergency Transportation, Coordination of Benefits/Third Party Liability for Medicaid and PeachCare for Kids, Decision Support System, Consultant Services for the MMIS Reprocare, MMIS Reprocare, Medicaid Reform – CMO Procurement, Medicaid Reform – EQRO Services, and Disease State Management. Consultant Services for Outpatient Schedule and Consultant Services for Repricing of DRGs are procurements for all DCH Plans. Mr. Miller concluded the report and addressed questions from the Board. (A copy of Ongoing and Upcoming DCH Procurements is attached hereto and made an official part of these Minutes as Attachment #4.)

Mr. Anderson called for a ten-minute recess. It was moved and seconded to take a ten-minute recess.

After the recess Mr. Anderson called on Neal Childers, General Counsel, to talk about proposed revisions to the CON rules. Mr. Childers said the CON rules have a unique procedural requirement; they are first vetted by the Health Strategies Council, which is the policy making arm of health planning, before the Department presents them to the Board for consideration. The Health Strategies Council held three separate public meetings as well as asked the Department to conduct a work session open to the public for the purpose of receiving, reviewing, and considering comments on the Rules. Mr. Childers briefly described the proposed changes: repealing the rules in Chapter 272 and re-enacting them in Chapter 111, correcting references to agencies that no longer exist, updating outdated regulations and changing obsolete rules. The substantive changes address Requests for a Letter of Nonreviewability (LNR) for Physician Owned Single Specialty Ambulatory Surgical Centers (ASC). Mr. Childers stated that over 95% of comments the Department received related to this one topic. Therefore, after reviewing the comments and consulting with the Board leadership, the Department is proposing to ask the Board to defer consideration of the sub-chapter pertaining to Single Specialty Physician Owned ASC LNRs that is Sub-Chapter 111-2-2-.10(4) (pages 156-159), pending further study by the Department and Board. Mr. Childers asked the board to review the remaining rules as proposed with two changes to correct typographical errors on Page 42, paragraph 7, and consider for final adoption the remainder of the rules with the exception of Sub-chapter 111-2-2-.10(4). Mr. Anderson appointed Dr. Stroud chair of the ad-hoc committee to take a further look at ASC LNRs to ensure that (a) the board understands the issues and (b) come back and vote on it in January. Dr. Stroud asked Dr. Rossiter and Mr. Holmes to serve on the ad-hoc committee to further discuss all issues related to the changes. Dr. Stroud scheduled an ad-hoc committee meeting for January 5, 2005, 10:00 a.m., in the DCH Board Room. Mr. Holmes MADE a MOTION to APPROVE the Proposed Health Planning Rules regarding Certificate of Need with the exception of Sub-chapter 111-2-2-.10(4). Mr. Eckberg SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED.

Mr. Anderson called for public comment. Deborah Winegard, General Counsel, Medical Association of Georgia, made public comment.

Mr. Anderson began discussion on Committee Assignments. The standing committees are Audit, Care Management and Legislative, and the Executive Ad-hoc Committee. Those serving on the Audit Committee are Mr. Plowman (chair), Ms. Covington and Mr. Eckberg. Care Management Committee members are Doctors Stroud (chair), Rossiter and English. Legislative Committee members are Dr. Parker (chair), Mr. Holmes, and Dr. Stroud. The Executive Ad-hoc Committee is composed of the board officers— Mr. Anderson, Mr. Holmes and Dr. Rossiter. Mr. Eckberg MADE a MOTION to APPROVE the Standing Committees. Ms. Covington SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was

BOARD OF COMMUNITY HEALTH

December 8, 2004
Page Three

UNANIMOUSLY APPROVED. (A copy of the Standing Committees list is attached hereto and made official parts of these Minutes as Attachments # 5).

Mr. Anderson addressed the Adoption of the Proposed Amendment to the By-Laws of the Board of Community Health. He reminded the board of its November 10 discussion and approval to move the board meetings to the second Thursday of each month at 1:00 p.m. The committee meetings will be held on Thursday morning prior to the afternoon board meeting. Dr. Stroud MADE a MOTION to ADOPT the Proposed Amendment to the By-Laws of the Board of Community Health. Dr. Rossiter SECONDED THE MOTION. Mr. Anderson called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Proposed Amendment to the By-Laws of the Board of Community Health is attached hereto and made official parts of these Minutes as Attachments # 6).

There being no further business to be brought before the Board at the December 8 meeting Mr. Anderson adjourned the meeting at 11:59 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE
_____ DAY OF _____, 2005.

MR. JEFF ANDERSON
Chairman

ATTEST TO:

FRANK ROSSITER, M.D.
Secretary

- Official Attachments:
- #1 - List of Attendees
 - #2 - December 8 Agenda
 - #3 – Medicaid and Managed Care History
and Lessons Learned
 - #4 - Ongoing and Upcoming DCH
Procurements
 - #5 - Standing Committees List
 - #6 - Amendment to By-Laws